

SELLING WITH ENTREPRENEURIAL SPIRIT: THE SALES-ENTREPRENEUR

Vasile Dinu¹

Laurențiu Tăchiciu²

^{1) 2)} *Academy of Economic Studies, Bucharest, Romania*

e-mail: dinu_cbz@yahoo.com

e-mail: laurentiu.tachiciu@gmail.com

Abstract

Based on a very rich literature regarding the requirements for successfully selling in nowadays conditions, the present paper brings into discussion what might become a new concept, relevant for better understanding the role that salespeople are expected to play: the concept of sales-entrepreneur, or, in other words, the person conducting sales as his own business. After a short summary of more important topics and research findings in the recent literature on sales management, authors enumerate the main changes affecting the business environment which ask for reconsideration of the role, ways and means of salesmen. Authors emphasize the changes related to the seller-buyer relationship, including attenuation of the information asymmetry and of the negotiation power gap. Finally, the main distinctive traits of a sales-entrepreneur are uncovered in an attempt of systematization of choices that an entrepreneurial mindset will do among selling strategies and techniques. The article does not intend to draw a conclusion, but simply to launch a debate and a possibly useful direction of study.

Keywords: sales, sales force, sales management, entrepreneurial spirit

JEL Classification: M12, M51

Background

During the last twenty years the business literature witnessed an increasing interest for sales management. Sales are vital for companies' survival in an increasingly exigent business environment and salespeople can play a crucial role in acquiring

competitive edge over the rivals. According to Paolo Guenzi's review of the literature (Guenzi, 2003) "In recent years, many authors have recognized that radical changes have occurred in sales force activities and sales management practices. In brief, salesmen are expected to become value creators, customer partners, sales team managers, market analysts and planners. In a relationship perspective, they are additionally required to shift rapidly from hard selling to a smart selling approach. As a consequence, sales management also has to change accordingly, especially in terms of sales force selection, training, motivation, reward and control systems.

A survey on factors that influence sales performance pointed out that the important factors are (a) encouraging the sales force to build long-term relationships; (b) improving product/service quality; (c) increasing the amount of selling training for salespeople; (d) increasing the amount of training provided to field managers; (e) providing information systems capabilities to salespeople. On the other hand, factors like developing team selling approaches, increasing product specialization of the sales force, changing territory/customer assignments of salespeople, reducing selling prices, increasing sales of products produced by other firm appears to have very little to no effect on sales performance [3].

When customers' definition of value change, a dynamic marketing organization is required to adapt to those changes. Therefore, marketing strategy must be viewed as a process for responding to change needs of customers. This shift in strategic thinking has been termed "sense and respond" – a mindset that emphasizes capabilities and relationships, not products and transactions [12]. As an example, a survey done by McKinsey in 2006 found that 'pressured by a smaller, more sophisticated, and increasingly demanding group of retailers, upward of three-quarters of North American consumer goods manufacturers have reorganized their sales forces since 2002' [2]. The study mentioned above and other empirical researches suggest that training is helpful to achieve reorientation aims but it might be insufficient to achieve performance. As stated by Manna and Smith "Hence, a transactional sales representative will not have the effective personal skill set to become an effective sales representative in the near future as customers are becoming more empowered and expecting more in terms of service. Obviously, there is a human element that needs to occur in the sale, before one secures a loyal, committed customer. Therefore, corporations need to understand that the training programs that were developed years ago simply may not apply in the modern and highly competitive marketplace"[13]. Scholars are investigating the reasons of differences in results between companies having adopted similar forms of sales organization. Many of them mention self-awareness, self-regulation, self-

motivation, social awareness, and social skills among human and professional qualities that the salesman should prove.

Looking to the nature of the changes in the market and to the capabilities required in order to face the challenge, at sales force level, we believe that what makes a difference is the entrepreneurial mindset. Therefore we are trying to introduce a new concept: the sales-entrepreneur.

1. Changes affecting sales orientation of companies and sales forces approaches

Business become increasingly complex and the competition for customers among firms require more skills and professionalism. The raise of the general level of education, the technological progress and the globalization have impact on ways of living and companies' practices, modifying consumer behaviour and sharpening purchasing methods. All this evolutions significantly modify the conditions under which the sales force struggle to achieve its objectives, and call for new organisational solutions and more responsive salespersons. It worth mentioning what we consider to be the most relevant changes that currently challenge the selling ability of companies.

- Consumers have a higher level of education and a better understanding of the value proposition. They are more exigent and spend more rationally. They analyse attentively the available information trying to optimise the ratio between the utility they get and the price they pay; they refuse to pay for things that are not directly related to their needs or expectations, things like publicity, useless services or unneeded technological novelties.

- The market transparency is increasing due to the expansion of internet and other information and communication technologies. More data and information are easily accessible for both customers and suppliers providing a tool for each party to defend its interest. Selling on such transparent market oblige the sales force to bring into play more intuition and imagination in order to capture the interest of the potential customer and to convince him about the superiority of its particular offer.

- Smaller enterprises cooperation in purchasing (in form of purchasing groups or purchasing offices) establishes new market power balance and corrects the information asymmetries by making use of procurement experts; the task of the selling personnel become more complex and demands new capacities.

- The opening of internal markets has accentuated the competition between suppliers and gave a larger choice to buyers, who, in turn, became more demanding asking for deeply customised proposals and, more generally, a

customised relationship. Under such conditions enterprises are obliged to rely upon the ability of their sales personnel for understanding the expectation of the clientele, for catching the interest of potential buyers and to build a confidence-based relationship with them.

- The market conditions have forced companies to adopt new management and supervision styles (conceptualized in France as *management de proximité*), giving more attention to operational issues in order to develop an empathy with each individual client instead of the traditional focus on generic products.

- The native talent of the salesperson is not sufficient anymore for successfully selling. Nowadays, the sales force of a company needs a full set of methods, procedures and tools in order to effectively manage information, analyse the market evolution, assess the potential of the clientele, design customised strategies for clients' retention, to schedule the work, to manage budgets, etc.

As one may see, the salesperson has a new role. He is planning the sales in cooperation with the clients, developing mutually benefiting solutions, he is actually an entrepreneur.

Sales are vital in today's economy and the success of the company depends on the efficiency of sales professionals. Companies are more and more preoccupied of their commercial activity, trying to differentiate in their struggling for a share of their customers' budgets. But customers are unhappy with traditional salespersons that provide very little assistance in identifying a better solution and frequently abuses of the confidence of their clients. Customers are looking to a salesperson as it would be the owner of the selling company himself and expect from him to care about their needs and to provide them his company's best solution to their needs in a relation of lasting partnership and trust. This kind of expectations is incompatible with a salesperson behaving as a clerk, by performing standardised activities, achieving his duties in an impersonal manner. This kind of expectations requires that the salesperson behave as an authentic entrepreneur. In the attempt to develop the sales force's entrepreneurial spirit, the selling function of the company is gradually redefined.

2. Distinctive traits of the sales-entrepreneur

Entrepreneur-like selling is more than a set of procedures; it demands more sophisticated skills and knowledge in order to allow the selling agent to cope with ever changing needs, desires and expectations of the customers. The new environment compels a proactive attitude of the sales force that has to manage the distribution to a certain territory as its own business. In many companies salespersons are already considered accountable for the performance of their

activity from a multitude of points of view: sales, income, expenditures, profitability, and number of customers and level of satisfaction of these ones. This approach will be adopted by a large number of organizations in the near future.

The *sales-entrepreneur* has a number of distinctive traits:

- **High level of professional education,** knowledge and skills, especially in such relevant fields as market analysis, selling techniques, cost benefit analysis. He has also good knowledge of the particular context of his activity: products, customers, rival companies and substitution products, legal provisions, currently used languages, and so on;

- **Opportunity catching ability.** He perceives or imagines opportunities and promptly deploys the necessary efforts and actions in order to put them into value, and get the benefit out of them;

- **Interpersonal relations building skills.** He quickly establishes strong and trustful relationships with actual and potential customers, and maintains these relationships in a friendly, non invasive manner, acting loyally as an advisor and a companion;

- **Independence and accountability.** He acts in an independent manner, makes his own schedule and takes initiative in relation with various opportunities or problems that may occur being accountable both to the company to which he belongs and to the client; he is expected to make ethical decisions;

- **Positive attitude.** He develops strong self-confidence and communicates a good image of himself; He is sensible to novelties, full of energy in identifying new customers, available to design solutions to problems; he is a hard worker, but is doing the work with intelligence, trying to get maximum benefit for the company and for himself.

An attempt to compare the characteristics of the sales-entrepreneur with the traditional salesperson is presented in Table 1.

Comparative characteristics of the traditional salesperson versus the sales-entrepreneur

Table 1

The traditional salesperson	The sales-entrepreneur
Sales centred	Customer centred
Acts in order to sell	Acts in order to develop a relationships portfolio
Intensive use of “product language”	Preference for “client language”
orientation towards promotion and conviction of customers to buy	Orientation towards attracting customers by his personal value, integrity and

The traditional salesperson	The sales-entrepreneur
	honesty
Sells any product of the company	Establish an offer based on the deep understanding of customers needs
Few or none after-sale services	110% services to the client
Pushing the product to the market	Developing relationships and attracting clients
Reactive to market or product changes	Proactive in anticipating and influencing changes
Reactive to sales crisis consequences	Instantly answering sales crisis by making an business opportunity out of it
Providing solutions to manifest problems	Eliminating weaknesses and sources of potential problems
Positive emotions relating to the idea of earning	Positive emotions relating to the idea of serving or having a contribution
Fluctuating results	Stable results and business growth
Aim at raising income	Aim at raising value

Conclusion

Success in business depends on the recognition of the changes affecting the sales activity. Today selling is more sophisticated than few years ago. Despite the fact that the essence of the act of selling did not change very much, there are important mutations in the way in which the customer is regarded and in the complexity of the responsibility given to the salesman. Managing sales as its own business, combining intuition, imagination, initiative and risk taking with good professional knowledge and skills, the successful salesperson is an authentic “*sales-entrepreneur*”.

The concept of sales-entrepreneur is justified in an intuitive manner. In order to confirm its knowledge -enhancing value further research is necessary, especially empirical studies aiming to provide evidence that the entrepreneurial spirit and behaviour are significantly better represented in companies that record high levels of sales performance as compared with companies facing a slowdown of their sales, that are losing grounds in front of their rivals.

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